APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

| NEVADA |
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| Date of filing in State Engineer's Office MAR 02 1999 |
| Returned to applicant for correction MAR 22 1999 |
| Corrected application filed APR 02 1999 |
| Map filed APR 19 1989 under 53152 ******** |
| The applicant Artemis Exploration Company, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. *********************************** |
| 1. The source of the proposed appropriation is Underground |
| 2. The amount of water applied for is 0.5 cfs second-feet |
| (a) If stored in reservoir give number of acre-feet N.A. |
| 3. The water to be used for Minerals exploration, Mining, Milling, and domestic |
| 4. If use is for: |
| (a) Irrigation, state number of acres to be irrigated N.A. |
| (b) Stockwater, state number and kinds of animals to be watered N.A. |
| (c) Other use (describe fully under No. 12. "Remarks") |
| (d) Power: (1) Horsepower developed N.A. |
| (2) Point of return of water to stream N.A. |
| 5. The water is to be diverted from its source at the following point N.W. 4 of the N.E. 4 of Section 11, Township 26 North, Range 59 East, M.D.B&M or at a point from which the NE corner of Section 12 T.26N., R.59E. bears North 82 degrees 09' 39" E. a distance of 6965.09 feet. |
| 6. Place of Use See Exhibit "A" Attached. |
| 7. Use will begin about January 1 and end about December 31, of each year. Seasonal exploration stage work May-Nov |
| 8. Description of proposed works Underground source/well, well pump, and motor. |
| 9. Estimated cost of works \$70,000 |
| 10. Estimated time required to construct works Completed |
| 11. Estimated time required to complete the application of water to beneficial use 5 years |
| 12. Remarks: Exploration Drilling Mine Development Mine Operations |
| Elizabeth Essington (Agent) By s/ Elizabeth Essington P.O. Box 363 Ely, Nevada 89301 |
| Compared gkl/cms cms/ds |

Protested

OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do herek grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed <u>0.012</u> cubic feet per second, <u>but not to exceed 2.83 million gallons annually.</u>

Work must be prosecuted with reasonable diligence and be completed on or before:

March 14, 2002

Proof of completion of work shall be filed before:

April 14, 2002

Water must be placed to beneficial use on or before:

March 14, 2003

Proof of the application of water to beneficial use shall be filed on or before:

April 14, 2003

Map in support of proof of beneficial use shall be filed on or before: **April 14, 2003**

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office....

this 14th day of March A.D. 2001

State Engineer

EXHIBIT "A"

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E1/2 SW1/4
                        SECTION 18
                                         T.27N, R. 59E., M.D.B.&M.
   SE 1/4
                        SECTION 18
                                         T.27N.,R. 59E., M.D.B.&M.
   S 1/2
                       SECTION 17
                                         T.27N., R. 59E., M.D.B.&M.
  S 1/2
E1 W1 E1
                       SECTION 16
                                         T.27N., R. 59E., M.D.B.EM.
                       SECTION 19
                                         T.27N., R. 598., M.D.B.&M.
                                         T.2711., R. 59E., M.D. B. &M.
                       SECTION 20
                       SECTION 21
                                         T.27N., R. 59E., M.D.B.&M.
  S 1/2 SW 1/4
                       SECTION 22
                                         T.27N., R. 59E., M.D.B.&M.
  S 1/2 SE 1/4
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                                        T.27N., R. 59E., M.D.B.&M.
  S
    1/2 SW 1/4
                       SECTION 23
                                        T.27N., R. 59E., M.D.B.&M.
    1/2 SE 1/4
  S
                       SECTION 23
                                        T.27N.,R. 59E., M.D.B.&M.
  NE1/4 NW1/4 &
  N1/2 NE 1/4
                       SECTION 30
                                        T.27N., R. 59E., M.D.B.&M.
                       SECTION 29
                                        T.2711., R. 59E., M.D.B.&M.
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  1/2 SW 1/4
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  1/2 SE 1/4
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N 1/2
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T.26N., R. 60E., M.D.B.&M.
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                      SECTION 11
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                     SECTION 27
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